



Financial Results for the Fiscal Year Ended March 31, 2024 [Japan GAAP] (Consolidated)

May 15, 2024

Company Name: Fukoku Co., Ltd. Exchange listed on: Tokyo Stock Exchange
 Securities Code: 5185 URL: <https://www.fukoku-rubber.co.jp/>
 Representative: (Title) President & CEO (Name) Ikuo Oshiro
 Contact: (Title) General Manager of Finance Department (Name) Yukio Yamazaki (TEL) 048-615-4400
 Scheduled date of Annual Meeting of Shareholders: June 26, 2024
 Scheduled filing date of the securities report: June 26, 2024
 Scheduled commencement date of dividends payment: June 11, 2024
 Supplementary materials for financial results: : Yes
 Financial results briefing: : Yes (For institutional investors and analysts)
 (Amounts rounded down to the nearest millions of yen.)

1. Consolidated Financial Results for the Fiscal Year Ended March 2024 (From April 1, 2023 to March 31, 2024)

(1) Consolidated Operating Results

(Percentages represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Fiscal year ended March 31, 2024	88,847	7.9	3,646	81.4	4,094	30.4	3,050	42.9
Fiscal year ended March 31, 2023	82,318	15.1	2,010	14.9	3,139	24.4	2,135	2.4

(Note) Comprehensive income Fiscal year ended March 31, 2024 4,928 million yen [14.0%] Fiscal year ended March 31, 2023 4,322 million yen [24.4%]

	Profit per share	Profit per share – diluted	Profit to shareholders' equity	Ordinary profit to total assets	Operating profit to net sales
	yen	yen	%	%	%
Fiscal year ended March 31, 2024	189.35	-	8.1	5.5	4.1
Fiscal year ended March 31, 2023	132.61	-	6.3	4.6	2.4

(Reference) Equity method investment gain (loss): Fiscal year ended March 31, 2024 71 million yen Fiscal year ended March 31, 2023 35 million yen

(2) Consolidated Financial Positions

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	million yen	million yen	%	yen
As of March 31, 2024	76,033	42,010	52.0	2,453.38
As of March 31, 2023	71,530	37,952	49.8	2,211.12

(Reference) Shareholders' equity Fiscal year ended March 31, 2024 39,537 million yen Fiscal year ended March 31, 2023 35,619 million yen

(3) Consolidated Cash Flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
Fiscal year ended March 31, 2024	8,843	-4,466	-2,781	11,399
Fiscal year ended March 31, 2023	3,515	-3,988	753	9,478

2. Dividends

	Annual dividends					Total amount of annual dividends	Dividend payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	End of Q1	End of Q2	End of Q3	End of Q4	Total			
	yen	yen	yen	yen	yen	million yen	%	%
Fiscal year ended March 31, 2023	-	27.00	-	23.00	50.00	805	37.7	2.4
Fiscal year ended March 31, 2024	-	27.50	-	32.50	60.00	966	31.7	2.6
Fiscal year ending March 31, 2025 (forecast)	-	37.50	-	37.50	75.00		32.2	

3. Forecast of Consolidated Results for the Fiscal Year Ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	million yen	%	million yen	%	million yen	%	million yen	%	Yen
Full year	93,000	4.7	4,800	31.6	4,800-	17.2	3,750	22.9	232.69

* Notes

- (1) Changes in major subsidiaries during the fiscal year under review (Change in specific subsidiaries that will accompany a change in scope of consolidation) : None
- (2) Change in accounting policies or estimates and retrospective restatements
- (i) Change in accounting policies in accordance with revision of accounting standards : None
- (ii) Change in accounting policies other than item i) above : None
- (iii) Change in accounting estimates : None
- (iv) Retrospective restatements : None

(3) Number of shares issued (common shares)

(i) Number of shares issued at the end of the period (including treasury shares)	Fiscal year ended March 31, 2024	17,609,130 shares	Fiscal year ended March 31, 2023	17,609,130 shares
(ii) Number of treasury shares at the end of the period	Fiscal year ended March 31, 2024	1,493,462 shares	Fiscal year ended March 31, 2023	1,500,004 shares
(iii) Average number of shares issued during the period	Fiscal year ended March 31, 2024	16,112,651 shares	Fiscal year ended March 31, 2023	16,103,509 shares

(Reference) Summary of Non-Consolidated Financial Results

1. Non-Consolidated Financial Results for the Fiscal Year Ended March 2024 (From April 1, 2023 to March 31, 2024)

(1) Non-Consolidated Business Results

(Percentages represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	million yen	%	million yen	%	million yen	%	million yen	%
Fiscal year ended March 31, 2024	35,692	6.3	595	-	2,698	66.8	2,400	34.6
Fiscal year ended March 31, 2023	33,585	5.1	-292	-	1,617	50.7	1,783	116.0
	Profit per share		Profit per share – diluted					
	yen		yen					
Fiscal year ended March 31, 2024	148.97		-					
Fiscal year ended March 31, 2023	110.77		-					

(2) Non-Consolidated Financial Position

	Total assets		Net assets		Shareholders' equity ratio		Net assets per share	
	million yen		million yen		%		yen	
As of March 31, 2024	37,572		21,566		57.4		1,338.22	
As of March 31, 2023	35,443		19,874		56.1		1,233.75	

(Reference) Shareholders' equity Fiscal year ended March 31, 2024 21,566 million yen Fiscal year ended March 31, 2023 19,874 million yen

* Financial results are not subject to auditing performed by a Certified Public Accountant or audit firm.

* Explanation of appropriate use of operating results forecasts and other special notes

Any forward-looking statements, such as the financial results outlook, included in this material are based on information the Company presently has and certain assumptions the Company considers reasonable, and they do not constitute a promise that the Company will achieve them. In addition, the actual financial results may differ significantly due to various factors. For assumptions for operating results forecasts and points to consider in utilizing them, please see "1. Overview of operating results, etc., (4) Future outlook" on Page 3 of the attachments.

* This document is an English translation of a statement initially written in Japanese. The Original Japanese document should be considered as the primary version.

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1. Overview of Operating Results, etc.

(1) Overview of operating results for the fiscal year under review

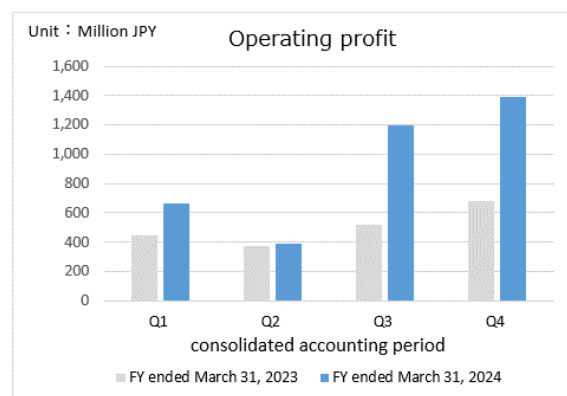
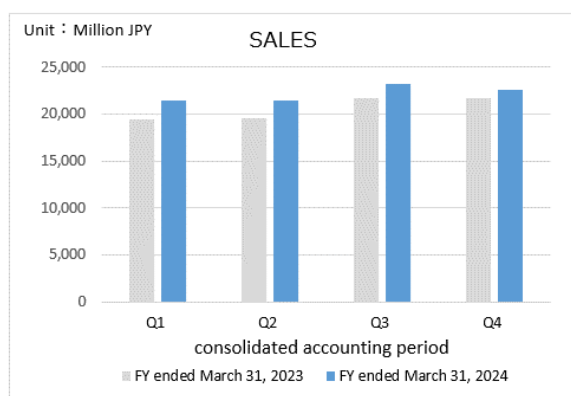
During the fiscal year under review, the Japanese economy recovered slowly and began to return to normal as COVID-19 restrictions on activity and overseas travel were lifted. Nevertheless, prospects remain uncertain due to prolonged geopolitical instability, sustained inflation driven by soaring resource prices, and fluctuations in financial capital markets.

In the automobile industry, the ongoing resolution of the semiconductor shortage helped drive recovery in production volumes. We have conducted aggressive R&D investments and initiatives to promote electric vehicles, but a shift in demand from electric to hybrid vehicles was observed in certain regions.

Under these economic circumstances, despite the slowing Chinese economy and persistent high raw material costs driven by surging resource prices, Group income benefited from higher gains on foreign exchange conversions due to the weakening yen and decreasing automotive production adjustments in response to the wider availability of semiconductors.

Regarding financial results for the fiscal year under review, consolidated net sales grew 7.9% year on year to 88,847 million yen due to decreasing effects of production adjustments by automakers and the impact of foreign exchange rates. Operating profit grew 81.4% year on year to 3,646 million yen, with efforts to streamline operations and pass on costs offsetting the impact of the rising cost of fuel and raw materials. Operating profit grew 30.4% year on year to 4,094 million yen. Profit attributable to owners of the parent grew 42.9% year on year to 3,050 million yen.

Quarterly data



Given below is the Group's business performance by segment.

Functional Parts Business

Net sales grew 10.2% year on year to 36,770 million yen due to recovering production at automakers and the impact of foreign currency translation. Segment income grew 45.5% year on year to 3,914 million yen, with efforts to streamline operations and pass on costs offsetting the impact of the rising cost of raw materials.

Anti-Vibration Parts Business

Net sales grew 7.9% year on year to 37,472 million yen due to increased demand in Southeast Asia, India, and the US, as well as the impact of foreign currency translation. Segment income grew 38.0% year on year to 2,089 million yen, with efforts to streamline operations and pass on costs offsetting the impact of the rising cost of materials for metal parts.

Metal Business

Net sales grew 4.0% year on year to 6,737 million yen due to steady orders for construction machinery. Segment income increased 840.0% year on year to 22 million yen, with efforts to streamline operations and pass on costs offsetting the impact of the rising cost of materials for metal parts.

Hose Business

Net sales grew 4.6% year on year to 5,373 million yen due to a steady stream of orders. Segment income grew 62.8% year on year to 190 million yen, with efforts to streamline operations and pass on costs offsetting the impact of the rising cost of raw materials.

Industrial Equipment Business

Net sales fell 1.5% year on year to 3,327 million yen due primarily to declining demand for OA products in China and Southeast Asia, despite domestic steady orders for medical products. Segment income grew 12.2% year on year to 681 million yen, with efforts to streamline operations and pass on costs offsetting the impact of the rising cost of raw materials.

(2) Overview of financial position for the fiscal year under review

Assets, liabilities and net assets

(Assets)

Total assets increased by 4,503 million yen from the end of the previous fiscal year to 76,033 million yen.

This is due primarily to a 3,189-million-yen increase in current assets attributable to increases in cash and deposits and accounts receivable - trade as a result of the foreign currency translation impact of the weaker yen. Non-current assets grew by 1,313 million yen, due mainly to the impact of foreign currency translation and the acquisition of property, plant and equipment.

(Liabilities)

Liabilities increased by 445 million yen from the end of the previous fiscal year to 34,023 million yen.

This is due primarily to an increase in current liabilities of 540 million yen attributable to a bank holiday falling on the last day of the fiscal year under review and the inclusion of outstanding electronically recorded obligations - operating in the balance at the end of the period.

(Net assets)

Net assets increased by 4,057 million yen from the end of the previous fiscal year to 42,010 million yen.

This is due primarily to an increase in retained earnings of 2,237 million yen and an increase in foreign currency translation adjustments of 1,560 million yen.

(3) Overview of cash flows for the fiscal year under review

Cash and cash equivalents (hereinafter "funds") as of the end of the fiscal year under review were 11,399 million yen, up 1,921 million yen compared to the end of the previous fiscal year.

Cash flows and the factors for changes thereof in the fiscal year under review are as follows.

(Cash flows from operating activities)

Funds provided by operating activities were 8,843 million yen (compared to 3,515 million yen in the same period of the previous year). The primary factors for this include an increase in funds due to the depreciation and amortization of 4,653 million yen and profit before income taxes of 4,093 million yen.

(Cash flows from investing activities)

Funds used in investing activities were 4,466 million yen (compared to 3,988 million yen in the same period of the previous year). This is due primarily to the acquisition of property, plant and equipment of 4,027 million yen.

(Cash flows from financing activities)

Funds used in financing activities were 2,781 million yen (compared to an inflow of 753 million yen in the same period of the previous year). This is mainly due to the repayment of borrowings exceeding proceeds by 1,879 million yen and dividend payments of 813 million yen.

(4) Future outlook

In the automobile industry, the resolution of the semiconductor shortage helped drive recovery in production volumes. However, economic prospects remain uncertain due to the ongoing Ukrainian conflict, the deteriorating Middle East crisis, other geopolitical uncertainties, exchange rate fluctuations due to tight fiscal policies worldwide, and sustained inflation driven by soaring resource prices.

Under these circumstances, marking the first year of New Medium-Term Management Plan 2026, fiscal 2024 will prove crucial in Company efforts to achieve its targets for fiscal 2026, namely, net sales of 120 billion yen, operating profit of 8%, and ROE of 12%. The Company will make every effort to maximize earning power by proceeding with management infrastructure reforms with an emphasis on each ESG factor and the two wheels of its business strategy: Strengthening existing businesses and Expanding growth businesses and new businesses. The forecast of consolidated results for the fiscal year ending March 31, 2025 is 93,000

million yen in net sales, 4,800 million yen in operating profit, 4,800 million yen in ordinary profit, and 3,750 million yen in profit attributable to owners of parent.

(5) Basic policy for appropriation of profits and dividends for the fiscal year under review and next fiscal year

The Company positions the return of profits to shareholders as a significant managerial issue, and sets the return of profits to shareholders in accordance with its performance while maintaining stable dividends, and taking internal reserves into consideration with future business development and business characteristics in mind, as one of the basic policies of the Company. Under this policy, the Company has decided to set a consolidated dividend payout ratio of 30% as the standard, and 20 yen per share a year (10 yen per share for the interim and year-end dividends, respectively) as the minimum dividend, except in the case where performance is extremely sluggish due to rapid changes in the management environment.

The year-end dividend will be 32.5 yen per share, up 5.0 yen from the most recent projection of 27.5 yen, as announced in "Notice about a dividend of surplus (Dividend Increase)" on May 15, 2024.

Regarding the dividends for the next fiscal year, the Company plans to pay 75 yen per share a year, with a consolidated dividend payout ratio of 30% as the standard.

2. Basic Approach towards Selection of Accounting Standard

The Group's policy is to prepare consolidated financial statements based on Japan GAAP for the time being, while taking the comparability of consolidated financial statements between fiscal years and between companies into consideration.

With regard to application of the International Accounting Standards, the Group will take appropriate action in light of the situation at home and abroad.

3. Consolidated Financial Statements and Key Notes

(1) Consolidated balance sheet

(Million yen)

	Previous fiscal year As of March 31, 2023	Fiscal year under review As of March 31, 2024
Assets		
Current assets		
Cash and deposits	9,972	12,011
Notes receivable - trade	774	852
Accounts receivable - trade	14,993	15,410
Electronically recorded monetary claims - operating	3,963	4,329
Merchandise and finished goods	5,858	6,223
Work in process	1,322	1,345
Raw materials and supplies	3,872	3,858
Other	1,802	1,709
Allowance for doubtful accounts	-31	-22
Total current assets	42,528	45,718
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,278	8,519
Machinery, equipment and vehicles, net	9,615	9,978
Tools, furniture and fixtures, net	1,052	1,141
Land	5,996	6,138
Leased assets, net	58	44
Construction in progress	894	873
Total property, plant and equipment	25,896	26,695
Intangible assets		
Other	1,406	1,675
Total intangible assets	1,406	1,675
Investments and other assets		
Investment securities	824	1,030
Long-term prepaid expenses	13	48
Retirement benefit assets	156	141
Deferred tax assets	475	479
Other	227	243
Total investments and other assets	1,699	1,944
Total non-current assets	29,001	30,315
Total assets	71,530	76,033

(Million yen)

	Previous fiscal year As of March 31, 2023	Fiscal year under review As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,459	5,373
Electronically recorded obligations - operating	5,330	6,062
Short-term borrowings	7,598	7,130
Current portion of long-term borrowings	2,202	1,634
Income taxes payable	383	526
Provision for bonuses	753	799
Notes payable - facilities	552	894
Other	4,065	4,464
Total current liabilities	26,345	26,885
Non-current liabilities		
Long-term borrowings	3,178	2,759
Deferred tax liabilities	1,023	1,133
Retirement benefit liabilities	1,314	1,573
Provision for retirement benefits for directors (and other officers)	173	159
Other	1,541	1,511
Total non-current liabilities	7,232	7,137
Total liabilities	33,577	34,023
Net assets		
Shareholders' equity		
Share capital	1,395	1,395
Capital surplus	1,573	1,575
Retained earnings	30,969	33,206
Treasury shares	-1,403	-1,397
Total shareholders' equity	32,534	34,780
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	108	205
Deferred gains or losses on hedges	-7	7
Foreign currency translation adjustment	2,983	4,544
Total accumulated other comprehensive income	3,084	4,757
Non-controlling interests	2,333	2,472
Total net assets	37,952	42,010
Total liabilities and net assets	71,530	76,033

(2) Consolidated statement of income and consolidated statement of comprehensive income

(Consolidated statement of income)

(Million yen)

	Previous fiscal year (From April 1, 2022 to March 31, 2023)	Fiscal year under review (From April 1, 2023 to March 31, 2024)
Net sales	82,318	88,847
Cost of sales	69,433	73,753
Gross profit	12,884	15,093
Selling, general and administrative expenses		
Salaries	3,942	3,945
Freight and other	2,530	2,446
Depreciation	215	337
Provision for retirement benefits for directors (and other officers)	13	20
Retirement benefit expenses	177	183
Provision for bonuses	189	189
Provision of allowance for doubtful accounts	4	5
Other	3,800	4,317
Total selling, general and administrative expenses	10,874	11,446
Operating profit	2,010	3,646
Non-operating income		
Interest income	44	78
Dividend income	6	7
Share of profit of entities accounted for using equity method	35	71
Foreign exchange gains	415	260
Gain on sale of non-current assets	493	22
Compensation for transfer	-	280
Other	464	212
Total non-operating income	1,459	934
Non-operating expenses		
Interest expenses	158	231
Loss on sale of non-current assets	4	11
Loss on retirement of non-current assets	125	98
Other	42	145
Total non-operating expenses	330	486
Ordinary profit	3,139	4,094
Extraordinary income		
Gain on sale of investment securities	2	-
Gain on termination of retirement benefit plan	554	-
Total extraordinary income	557	-
Extraordinary losses		
Loss on litigation	9	-
Loss on liquidation of business	174	-
Impairment losses	-	0
Total extraordinary losses	184	0
Profit before income taxes	3,511	4,093
Income taxes - current	794	880
Income taxes - deferred	522	87
Total income taxes	1,316	968
Profit	2,194	3,125
Profit (loss) attributable to non-controlling interests	59	74
Profit attributable to owners of parent	2,135	3,050

(Consolidated statement of comprehensive income)

(Million yen)

	Previous fiscal year (From April 1, 2022 to March 31, 2023)	Fiscal year under review (From April 1, 2023 to March 31, 2024)
Profit	2,194	3,125
Other comprehensive income		
Valuation difference on available-for-sale securities	14	96
Deferred gains or losses on hedges	-10	16
Foreign currency translation adjustment	2,099	1,663
Share of other comprehensive income of entities accounted for using equity method	24	25
Total other comprehensive income	2,127	1,803
Comprehensive income	4,322	4,928
Profit attributable to		
Comprehensive income attributable to owners of parent	4,102	4,723
Comprehensive income attributable to non-controlling interests	220	205

(3) Consolidated statement of changes in equity

Previous fiscal year (From April 1, 2022 to March 31, 2023)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,395	1,572	29,554	-1,416	31,106
Changes during period					
Dividends of surplus			-756		-756
Profit attributable to owners of parent			2,135		2,135
Purchase of treasury shares				-0	-0
Disposal of treasury shares		0		12	13
Change in scope of consolidation			36		36
Net changes in items other than shareholders' equity					
Total changes during period	-	0	1,415	12	1,428
Balance at end of period	1,395	1,573	30,969	-1,403	32,534

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment		
Balance at beginning of period	93	-1	1,025	2,152	34,377
Changes during period					
Dividends of surplus					-756
Profit attributable to owners of parent					2,135
Purchase of treasury shares					-0
Disposal of treasury shares					13
Change in scope of consolidation					36
Net changes in items other than shareholders' equity	14	-5	1,957	180	2,147
Total changes during period	14	-5	1,957	180	3,575
Balance at end of period	108	-7	2,983	2,333	37,952

Fiscal year under review (From April 1, 2023 to March 31, 2024)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,395	1,573	30,969	-1,403	32,534
Changes during period					
Dividends of surplus			-813		-813
Profit attributable to owners of parent			3,050		3,050
Purchase of treasury shares				-0	-0
Disposal of treasury shares		2		6	8
Net changes in items other than shareholders' equity					
Total changes during period	-	2	2,237	6	2,245
Balance at end of period	1,395	1,575	33,206	-1,397	34,780

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment		
Balance at beginning of period	108	-7	2,983	2,333	37,952
Changes during period					
Dividends of surplus					-813
Profit attributable to owners of parent					3,050
Purchase of treasury shares					-0
Disposal of treasury shares					8
Net changes in items other than shareholders' equity	96	15	1,560	139	1,811
Total changes during period	96	15	1,560	139	4,057
Balance at end of period	205	7	4,544	2,472	42,010

(4) Consolidated statement of cash flows

(Million yen)

	Previous fiscal year (From April 1, 2022 to March 31, 2023)	Fiscal year under review (From April 1, 2023 to March 31, 2024)
Cash flows from operating activities		
Profit before income taxes	3,511	4,093
Depreciation	4,471	4,653
Loss on liquidation of business	174	-
Impairment losses	-	0
Increase (decrease) in allowance for doubtful accounts	-22	-10
Increase (decrease) in provision for bonuses	-181	45
Increase (decrease) in retirement benefit assets and liabilities	-722	194
Increase (decrease) in provision for retirement benefits for directors (and other officers)	15	-20
Gain on termination of retirement benefit plan	-554	-
Interest and dividend income	-51	-86
Interest expenses	158	231
Foreign exchange losses (gains)	-104	-149
Share of loss (profit) of entities accounted for using equity method	-35	-71
Loss (gain) on sale of property, plant and equipment	-488	-10
Loss on retirement of property, plant and equipment	125	98
Decrease (increase) in trade receivables	-1,572	-122
Decrease (increase) in inventories	-876	122
Increase (decrease) in trade payables	971	213
Decrease (increase) in other assets	-151	181
Increase (decrease) in other liabilities	-251	338
Other	-12	136
Subtotal	4,404	9,837
Interest and dividends received	55	93
Interest paid	-155	-230
Income taxes refund (paid)	-788	-857
Cash flow from operating activities	3,515	8,843

(Million yen)

	Previous fiscal year (From April 1, 2022 to March 31, 2023)	Fiscal year under review (From April 1, 2023 to March 31, 2024)
Cash flows from investing activities		
Payments into time deposits	-	-86
Proceeds from withdrawal of time deposits	52	-
Purchase of long-term prepaid expenses	-5	-42
Purchase of property, plant and equipment	-4,103	-4,027
Proceeds from sale of property, plant and equipment	622	114
Purchase of intangible assets	-555	-454
Purchase of investment securities	-2	-2
Proceeds from sale of investment securities	4	32
Other	-1	-0
Cash flow from investing activities	-3,988	-4,466
Cash flow from financing activities		
Proceeds from short-term borrowings	1,704	755
Repayments of short-term borrowings	-179	-1,626
Proceeds from long-term borrowings	2,400	1,300
Repayments of long-term borrowings	-2,348	-2,308
Repayments of lease obligations	-26	-22
Purchase of treasury shares	-0	-0
Dividends paid	-756	-813
Dividends paid to non-controlling interests	-39	-66
Cash flow from financing activities	753	-2,781
Effect of exchange rate change on cash and cash equivalents	415	325
Net increase (decrease) in cash and cash equivalents	695	1,921
Cash and cash equivalents at beginning of period	8,782	9,478
Cash and cash equivalents at end of period	9,478	11,399

- (5) Notes to consolidated financial statements
(Notes to assumptions for ongoing concerns)
Not applicable.

(Segment information)
Segment information

1. Overview of Reporting Segments

(1) Methods to determine reporting segments

Reporting segments of the Company are components of the Company for which separate financial information can be obtained, and for which the Board of Directors conducts reviews on a regular basis to determine the allocation of management resources and assess business performance.

The Company has business units by finished goods line at its head office. Each business unit develops comprehensive strategies for Japan and overseas and carries out business activities regarding the product line it handles. The parent company, however, directly supervises the businesses of its subsidiaries in Japan that do not belong to the finished goods lines of the business units mentioned above.

This means that the Company consists of segments by finished goods line based on business units and business segments of subsidiaries in Japan that do not belong to the business units. Among them, the Functional Parts Business, the Anti-Vibration Parts Business, the Metal Business, the Hose Business, and the Industrial Equipment Business compose the reporting segments.

(2) Categories of finished goods and services belonging to each reporting segment

The Functional Parts Business manufactures and sells seal parts and wiper blade rubber, among other finished goods. The Anti-Vibration Parts Business manufactures and sells dampers and mounts, among other finished goods. The Metal Business manufactures and sells metal parts for trucks and construction machinery, among other finished goods. The Hose Business manufactures and sells hoses and other rubber finished goods. The Industrial Equipment Business manufactures and sells office automation equipment, medical equipment, motors and urethane, among other finished goods.

2. Method Used to Calculate Net Sales, Income or Loss, Assets, Liabilities and Other Items by Reporting Segment

Accounting procedures adopted for the reported business segments are the same as those adopted for preparation of consolidated financial statements.

Income of the reporting segments is based on operating profit.

Intersegment revenue or transfer is based on market prices.

3. Information on Net Sales, Income or Loss, Assets, Liabilities and Other Items by Reporting Segment

Previous fiscal year (From April 1, 2022 to March 31, 2023)

(Million yen)

	Reporting segment					Total	Adjustments (Note) 1	Amount reported in consolidated financial statements (Note) 2
	Functional Parts	Anti- Vibration Parts	Metal	Hose	Industrial Equipment			
Net sales								
Sales to external customers	32,709	34,714	6,480	5,034	3,380	82,318	-	82,318
Intersegment sales or transfer	652	9	0	100	-	762	-762	-
Total	33,361	34,724	6,480	5,134	3,380	83,080	-762	82,318
Segment income	2,689	1,514	2	116	607	4,930	-2,920	2,010
Segment assets	28,456	27,820	3,777	4,533	3,083	67,670	3,859	71,530
Other items								
Depreciation	1,903	1,985	172	220	123	4,404	67	4,471
Impairment losses	-	-	124	-	-	124	-	124
Investment in entities accounted for using equity method	-	525	-	-	-	525	-	525
Increase in property, plant and equipment and intangible assets	2,154	1,739	109	133	181	4,317	654	4,971

(Notes) 1. Adjustments are as follows:

- (1) The adjustment of -2,920 million yen for segment income includes an inter-segment elimination of 1 million yen and corporate expenses that are not allocated to any reporting segments totaling -2,921 million yen. Corporate expenses are primarily general and administrative expenses that are not attributable to any reporting segments.
- (2) The adjustment of 3,859 million yen for segment assets includes an inter-segment elimination of -1,031 million yen and company-wide assets that are not allocated to any reporting segments totaling 4,891 million yen. Company-wide assets are primarily cash and deposits that are not attributable to any reporting segments.
- (3) The adjustment of 67 million yen for depreciation is primarily depreciation of non-current assets for the research and development departments of the parent company.
- (4) The adjustment of 654 million yen for the increase in property, plant and equipment and intangible assets is the increase in company-wide assets that are not allocated to any reporting segments.

2. Segment income is adjusted to be consistent with operating profit recorded in the consolidated financial statements.

Fiscal year under review (From April 1, 2023 to March 31, 2024)

(Million yen)

	Reporting segment					Total	Adjustments (Note) 1	Amount reported in consolidated financial statements (Note) 2
	Functional Parts	Anti- Vibration Parts	Metal	Hose	Industrial Equipment			
Net sales								
Sales to external customers	36,051	37,462	6,737	5,268	3,327	88,847	-	88,847
Intersegment sales or transfer	718	10	0	104	-	833	-833	-
Total	36,770	37,472	6,737	5,373	3,327	89,681	-833	88,847
Segment income	3,914	2,089	22	190	681	6,897	-3,250	3,646
Segment assets	31,547	29,021	3,328	4,715	3,037	71,649	4,384	76,033
Other items								
Depreciation	1,957	2,061	117	214	140	4,491	161	4,653
Impairment losses	-	0	-	-	0	0	-	0
Investment in entities accounted for using equity method	-	593	-	-	-	593	-	593
Increase in property, plant and equipment and intangible assets	2,517	1,098	174	158	144	4,093	550	4,644

(Notes) 1. Adjustments are as follows:

- (1) The adjustment of -3,250 million yen for segment income includes an inter-segment elimination of 1 million yen and corporate expenses that are not allocated to any reporting segments totaling -3,252 million yen. Corporate expenses are primarily general and administrative expenses that are not attributable to any reportable segments.
 - (2) The adjustment of 4,384 million yen for segment assets includes an inter-segment elimination of -980 million yen and company-wide assets that are not allocated to any reporting segments totaling -5,364 million yen. Company-wide assets are primarily cash and deposits that are not attributable to any reporting segments.
 - (3) The adjustment of 161 million yen for depreciation is primarily depreciation of non-current assets for the research and development departments of the parent company.
 - (4) The adjustment of 550 million yen for the increase in property, plant and equipment and intangible assets is the increase in company-wide assets that are not allocated to any reporting segments.
2. Segment income is adjusted to be consistent with operating profit recorded in the consolidated financial statements.

(Per-share information)

	Previous fiscal year (From April 1, 2022 to March 31, 2023)	Fiscal year under review (From April 1, 2023 to March 31, 2024)
Net assets per share	2,211.12 yen	2,453.38 yen
Profit per share	132.61 yen	189.35 yen

(Notes) 1. Profit per share – diluted is not stated as there are no dilutive shares.

2. The basis for calculation of profit per share is as follows:

	Previous fiscal year (From April 1, 2022 to March 31, 2023)	Fiscal year under review (From April 1, 2023 to March 31, 2024)
Profit per share		
Profit attributable to owners of parent (million yen)	2,135	3,050
Amount not attributable to common shareholders (million yen)	-	-
Profit attributable to owners of parent related to common shares (million yen)	2,135	3,050
Average number of shares issued during the period (thousand shares)	16,103	16,112

(Important subsequent events)

Not applicable.